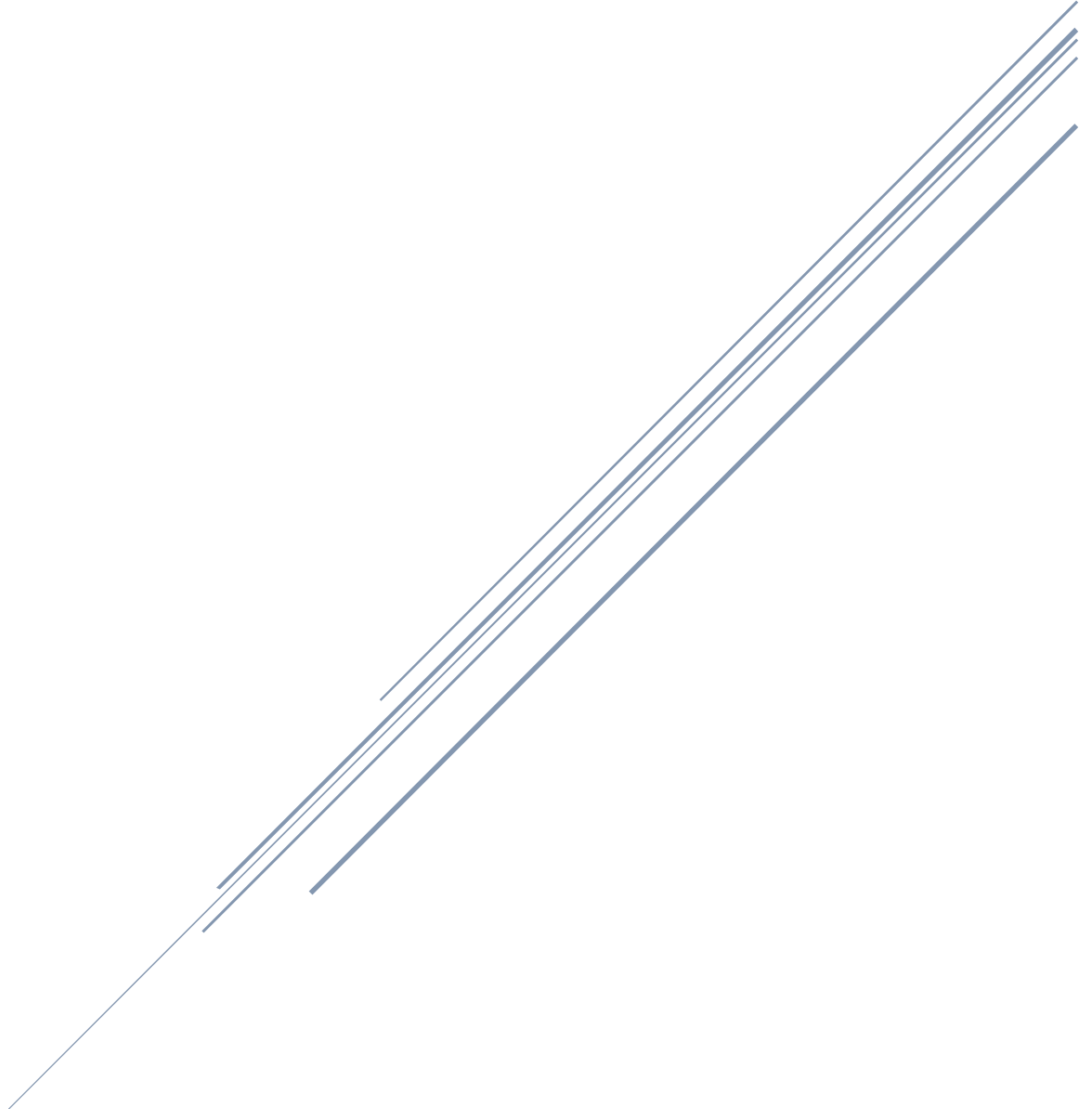


KAFEİN YAZILIM HİZMETLERİ TİCARET A.Ş.

ACTIVITY REPORT 30.09.2023



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I. GENERAL INFORMATION

a) About Kafein

Kafein Yazılım Hizmetleri Ticaret A.Ş. was established in 2005 to develop software solutions. The company provides services to its customers, primarily with Managed Services, Software Development, Cyber Security, Test Automation, Project Management, Turnkey Software Solutions, Outsourcing, Data Analysis, Data Mining, Data Archiving, as well as products developed by itself. Kafein has always maintained its growth since establishment and improved competencies each and every year. Kafein continues operations in strict conformance with quality standards and methodologies. Among the institutions that benefit from the services by Kafein, there are the biggest telecommunication companies, insurance companies, banks, retail and manufacturing companies of Turkey.



OUR VISION

The company aims to be among the leading software companies, by adopting an effective and constantly renewing quality management system understanding, meeting the needs and expectations in the sector by using technological change, transforming the creativity of its employees into customer satisfaction, acting on a risk-based basis, with its professional, self-confident, and business-conscious staff, transparent organizational structure and international competitive power.

OUR MISSION

It has been adopted as our mission to provide high quality products and solutions that reduce error rates and increase work efficiency in the health, logistics, textile, food and service sectors with high-tech software and R&D studies, and to lead the use and development of software, machinery, and technology in Turkey.

OUR VALUES AND PRINCIPLES

- Working with a focus on customer satisfaction
- Keeping customer satisfaction at the highest level by using time effectively and efficiently
- In addition to meeting expectations, always doing the best by exceeding expectations
- Working in a team mentality
- To be responsible to the society, respectful to moral and national values while producing
- To perform all our activities by adhering to the principles of confidentiality and trust
- Ensuring that employees receive trainings that enable them to develop themselves and increase their self-confidence.
- Always ready and open to change and continuous improvement
- Continually improving and improving our performance for excellence

b) Reporting Period

This report covers the information of the period between 01.01.2023 and 30.09.2023.

c) Registry Information

Trade Name	Kafein Yazılım Hizmetleri Ticaret Anonim Şirketi
Date of Establishment	26.08.2005 - Istanbul, TURKEY
Paid Capital	TRY 19,750,000
Authorized Capital	TRY 200,000,000 (Two Hundred Million Turkish Lira)
Trade Registration No.	ISTANBUL - 563336
Tax Office and Number	ESENLER - 487 051 8539
Address	Head Office: Çifte Havuzlar Mah. Eski Londra Asfaltı Cad. Kuluçka Mrk. A2 Blok No:151/1B İç Kapı No: B01 Esenler İstanbul Ankara Branch: Aşağı Öveçler, 1309. Sk. No:5 D:6 06460 Çankaya/Ankara Düzce Branch: Orhangazi Mah. Teknopark Cad. Teknopark Blok No 1 İç Kapı No Z03 Merkez/Düzce
Telephone / Fax	0212 924 20 30 / 0212 483 70 27
Website	www.kafein.com.tr
Area of Activity	Software Development
NACE Code	62.01.01 (Computer Programming Activities)

d) Area of Activity

Kafein Yazılım Hizmetleri Ticaret A.Ş. is engaged in software services. The fields of activity of the Company can be analysed under the following items:

- 1. Managed Services**
- 2. Turnkey Solutions**
- 3. Outsourcing Services**
- 4. Licence/Product Sales and Integration**
- 5. Cyber Security**
- 6. Products**

Kafein carries out all the operational processes according to the ISO 9001 quality management system and offers services in compliance with these processes. Detailed information on the company services can be found at www.kafein.com.tr/services

1. Managed Services

Managed service is the management of a part of the IT system of a company on behalf of a client and rendering it as a service. All or a part of software development, analysis, test, and operation services can be considered as managed services. Managed services also include personnel supply, employment, and management. The difference between personnel supply under managed services and standard employment is as follows:

Outsourcing	Managed Services
Personnel selection is made by the client.	Personnel selection is made by the supplier company.
Performance review is made by the client.	Performance review is made by the supplier company.
The number of personnel is defined by the client.	The number of personnel is defined mutually. The goal is to render services.
A mixed team is established for the same purpose and goal.	The team consists of a single company.
Fund of knowledge is transmitted in a limited way.	Fund of knowledge is created within the company.
Payment is made according to the days of work by personnel.	Payment is made according to the rendered service.

Kafein offers managed services and assigns a team for software development, analysis, test, and operation in accordance with a Service Level Agreement (SLA) to be concluded with the client. The quality of these services is measured with the comparison of key performance indicators mutually defined by the parties.

This approach attributes the cost of work and personnel to Kafein. Therefore, it serves not only as an approach to reduce management costs but also as a competitive element that improves performance and efficiency.

Thanks to the knowledge and experience acquired with managed services, Kafein has become one of the key suppliers according to the clients. This ensures longer terms of business and agreements for Kafein.

2. Turn-Key Solutions

Kafein offers turnkey solutions tailored for the needs of clients. These solutions are implemented by a project team specially established for the purpose. With turnkey solutions, software development and integration requests are completed and offered for use within a particular time as defined by clients. These activities are performed with a certain discipline and method by a special team. With these projects, Kafein offers the softwares developed by the Company or business partners to the clients of telecommunication, service, insurance, and transportation industries, in particular.

In this sense, Kafein implements the project management methodologies that are accepted as the industrial standards. These methodologies are identified with the consideration of the complexity and size of projects, the profile and structure of clients, and the parameters to be regarded for the project team. Similarly, project managers use various management tools throughout the projects.

In general, a project management process consists of the following stages:

- Identification and analysis of client needs - Scope Analysis
- System analysis and design
- Solution development, adaptation, or integration
- Tests
- Commissioning
- Formation and maintenance of operation and maintenance processes
- Project closing, lessons learned and process evaluation
- Observation process

3. Outsourcing Services

Kafein employs and assigns personnel according to the knowledge and experience levels required by clients. The personnel assigned to render services are selected by clients from among the

proposed candidates. In this service, client is the party responsible for the management of a dedicated Kafein team and also undertakes the risk for the quality and completion of works.

4. License/Product Sales and Integration

Kafein has been engaged in license sales in Turkey as the business partner of many international software and technology companies. Having initiated license sales in Turkey by collaborating with the leading companies of the relevant industries, the Company expands its operations to abroad.

Robotic Process Automation

Robotic Process Automation is the repeatable handling of the systematic processes and operations carried out by the employees through the software robot and the automatic realization of the learning method. Various technical inquiries or calculations, records and transactions are repeated by simulating an employee's behaviour. Robotic Process Automation improves service quality by eliminating errors in operations and saves considerable time and cost for manual and repetitive tasks.

End to End Solution to Protection of Personal Data

It enables organizations to discover sensitive data, to configure them correctly, to process them effectively and to store them in compliance with the provisions of the Personal Data Protection Law (KVKK) and General Data Protection Regulation (GDPR) and in accordance with legal requirements.

You can reach all our business partners at www.kafein.com.tr/home/workpartners

5. Cyber Security

Cyber Security can be defined as aggregated methods, Technologies and processes that help to protect the privacy, integrity and availability of digital assets, networks and data against cyber-attacks or unauthorized access. The main purpose of cyber security is to protect all corporate assets from both external and internal threats and disruptions caused by natural disasters.

All-in Cyber, the brand of Kafein Technology for cyber security solutions, is cyber security consulting firm that offers an end-to-end solution partnership in risk-operation and cost management of institutions, which integrates human, process and technology concepts against cyber-attacks by increasing the information security levels of institutions with its cyber security solutions. The long-term goals of the department are to provide cyber security services in the Turkic Republics, especially in Azerbaijan, to produce domestic and national cyber security products, to establish an academy and train talented young people in this field to position them in customer locations, and to be one of the competent Cyber Security Integrators in Turkey. The All-in Cyber brand can be accessed by the following link: www.allincyber.com The services provided are as follows:

- Advanced Persistent Threat (APT) and Malware Analysis
- Managed Endpoint Monitoring and Forensic Analysis
- E-Mail Security and Management
- Security Verification
- Protection, Detection and Response in the Entire Chain of Attack
- Cyber Threat Intelligence Integration

6. Products

Test Data Management (TDM)

The TDM product developed by Kafein is used in corporate companies to generate test data. Digitization and increasing application need led to an increase in test data production needs. It is possible to produce test data independent of real data and fully compliant with regulations, with the Test Data Management (TDM) product, which imitates real data of institutions and creates data sets.

TDM is included in the product catalogue of the global software provider Opentext on 19.04.2021 to be sold all over the world.

Additionally, on 22.09.2023, an OEM (Original Equipment Manufacturer) agreement is signed between the company and the American-based technology company Infocorvus. In accordance with the terms of the agreement, the Data Security and Governance Product "DataTouch" and the Test Data Management Product "TDM" developed by the company and the Database Activity Monitoring and Prevention Products "DataSkoPe" and "InfraskoPe" developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş. will be sold in the American and Canadian markets on a revenue sharing basis by Infocorvus LLC.

Microreporter

It is an integrated reporting product capable of dynamic reporting. With Micro Reporter, reports specific to the company and its needs can be created quickly and accurately. With the application, the reports can be exported to Excel, each user can view the reports within their authorization, reports can be customized with the filtering feature, as many reports as desired can be generated on a report. In addition, any data can be watched on screens with the SQL queries created.

DataSkoPe

The Database Activity Monitoring and Prevention Product DataSkoPe developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş is a database activity monitoring and prevention product. The product detects, classifies, generates alarms, and reports events occurring in database systems without turning on the audit feature. By providing access to information about who has

accessed sensitive data and what actions are taken at what intervals, it ensures that the authorities are informed about the events with predefined alarm rules.

DataSkoPe have been included in the product catalogue of the global software provider Opentext to be sold globally. On 06.04.2023, the OEM (Original Equipment Manufacturer) contract is signed to be included in the sales lists under the brand of Voltage.

DataTouch

DataTouch is a Data Security and Governance Product and a new generation data lineage software that helps determine the purposes of use, frequency of use and users of the detected data.

The product is listed on the product catalogue of the global software provider Micro Focus LLC and the OEM (Original Product Manufacturer) contract is signed on 06.04.2023 to be included in the sales lists under the brand "Voltage". The first sale is expected to be in Q3 2023 after the brand dressings, the training of the sales teams, and the determination of product price code (SKU) in the sales lists.

For detailed information on other company products check www.kafein.com.tr/services/products .

e) Capital and Partnership Structure

The issued capital of Kafein Yazilim Hizmetleri Ticaret A.S. consists of 19,750,000 shares with TRY 1,00 as the nominal value of each share.

By 30.09.2023, the distribution of the issued capital of Kafein among the partners is as follows:

Shareholder	Group A	Group B	Group C	Total Capital Amount(TRY)	Capital Share (%)	Voting Right (%)
Ali Cem Kalyoncu	183,333	183,333	4,573,716	4,940,382	25.01	40.48
Publicly Held / Other			14,809,618	14,809,618	74.99	59.52
TOTAL	183,333	183,333	19,383,334	19,750,000	100.00	100.00

f) Preferred Shares and Explanations for the Voting Rights of Such Shares

As specified under article 7 of the Articles of Association, the shares of the Company are classified under three groups as Group (A), (B) and (C) shares. Group (A) and (B) shares are registered shares and represent the special rights and privileges defined in the Articles of Association. Group (C) shares are bearer shares and are not furnished with special rights and privileges.

According to article 9 of the Articles of Association, 2 members are to be elected from among the Group A shareholders or the persons assigned by them while 1 member is to be elected from among the Group B shareholders or the person assigned by them in case the Board of Directors consists of

6 or 7 members. Similarly, 3 members are to be elected from among the Group A shareholders or the persons assigned by them while 1 member is to be elected from among the Group B shareholders or the person assigned by them in case the Board of Directors consists of 8 members.

One among the Group A shareholders or a person assigned by them takes office as the Chairman of the Board while one among the Group B shareholders or a person assigned by them serves as the Vice Chairman of the Board.

As specified in article 15 of the Articles of Association, each and every Group A and B shareholder has 15 (fifteen) voting rights except for board member elections while each and every Group C shareholder has 1 (one) voting right in the ordinary and extraordinary general assembly meetings.

II. INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

a) Board of Directors Structure

According to company's Article of Association article 9, In order to enable efficient and constructive activities, fast and rational decisions, establishment of committees and efficient organization of activities, the Board of Directors of the Company is assigned by the general assembly to consist of 6 to 8 members.

Members of the Board of Directors can be elected to take office for three years. A member with expired term of office may be re-elected as long as he/she is not dismissed.

BOARD OF DIRECTORS					
Full Name	Role	Date of Election	Due Date	Executive Director or Not	Current External Assignments
Ali Cem Kalyoncu	Board Chairman	16.12.2011	12.04.2024	Executive	Netsite İletişim ve Elektronik Sistemleri San. ve Tic. A.Ş. Managing Partner and Vice Chairman Intranet Yazılım A.Ş. Board Chairman Karmasis Bilisim Cozumleri Tic. A.Ş. Board Chairman
Neval Onen	Vice Chairwoman	10.04.2013	12.04.2024	Executive	Intranet Yazılım A.Ş. Board Member Karmasis Bilisim Cozumleri Tic. A.Ş. Board Member
Hatice Sevim Oral	Board Member	10.04.2013	12.04.2024	Executive	-

Kenan Subekci	Board Member	02.01.2012	12.04.2024	Executive	Birlik Insaat Otomotiv ve Bilisim Hizm. , Controlling Shareholder
Ibrahim Semih Arslanoglu	Independent Board Member	02.03.2018	12.04.2024	Non-Executive	-
Murat Ethem Sümer	Independent Board Member	23.08.2022	12.04.2024	Non-Executive	Escar Filo Kiralama Hizmetleri A.Ş. Financial Affairs Director

It is ensured that board members allocate the necessary time for company affairs, and there are no restrictions regarding the board members taking on other duties or tasks outside the company. There is no need for such a limitation due to the significant contribution of the work experience and sectoral experience of the members to the Board. Before the General Assembly, the member's resume, as well as the duties he/she has held outside the company, are presented to the shareholders for their information.

b) Senior Management and Personnel

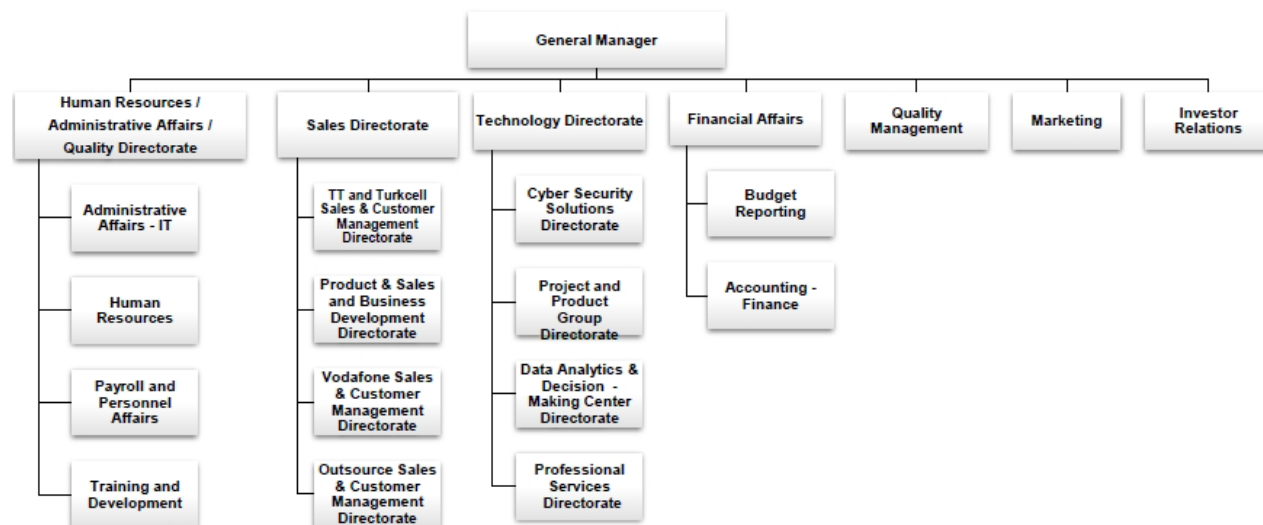
The senior management of the Company consists of the Chairman of the Board, Board members and other managers acting as directors general.

Senior Management	Title
Ali Cem Kalyoncu	Chairman of the Board; General Manager
Neval Onen	Vice Chairwoman of the Board, HR and Administrative Affairs Director
Kenan Subekci	Member of the Board, IT, Administrative Affairs and Purchase Manager
Hatice Sevim Oral	Member of the Board, Accounting Manager
Murat Ethem Sümer	Independent Board Member
Ibrahim Semih Arslanoglu	Independent Board Member
Ozlem Tibet	Sales Director
Ilker Kınacı	Sales Director
Tugrul Gokcen	Sales Director
Baki Akturk	Sales Director

For the period ending on 30.09.2023, the total amount of the attendance fee and similar other benefits granted to the board chairman, board members and senior management is 6,797,126 TRY. (30.09.2022: TRY 4,256,638)

On 30.09.2023, the company's average number of employees working during the year is 710. (December 31, 2022: 670)

c) Organization Chart



III. INFORMATION ABOUT THE OPERATIONS

a) Information about the Share Buy-Back

Based on the resolution taken by the Board of Directors dated 15.02.2023 and numbered 3, with respect to the "Communiqué on Buy-Backed Shares" numbered II-22.1 and to the announcements made by the Capital Markets Board of Turkey dated 14.02.2023 and numbered 9/177; it has been decided to initiate the buyback program regarding the company's shares traded on BIST, since share values do not reflect the actual performance of the company's operations and determine the maximum number of shares, which may be subject to the buyback as 300,000 and determine the maximum amount of funds to be allocated for the share buyback as TRY 10,000,000, to set the maximum period foreseen for the buyback process as 30.06.2023, and to finance respective share repurchases from the Company's internal resources. The summary table regarding the transactions between the beginning of the program (15.02.2023) and the date of this report is as follows.

Buy-Backed Shares Summary Table - 2023					
Transaction Date	Nominal Value of Shares Subject to Transaction (TRY)	Transaction Type	Transaction Price (TRY / Unit)	Total Amount (TRY)	Ratio Of Shares Subject to Transaction to Capital (%)
15.02.23	49,600	Buying	25.005-25.160	1,244,892.44	%0.25

Total	49,600	Buying	25.11 (Av.)	1,244,892.44	%0.25
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The share buy-back program, which was initiated with the meeting of the Board of Directors dated 15.02.2023 and numbered 3 is ended on 30.06.2023 due to the expiration of maximum period envisaged.

During the program dated 15.02.2023 - 30.06.2023, a total of 49,600 (%0.25) shares were bought-back with a price of TRY 1,244,892.44 from the average price of TRY 25.11, all of which were covered from internal resources.

With the addition of 49,600 shares in the current period to the 117,000 buy-backed shares owned as of 31 December 2022, the total amount of the buy-backed shares of the company reached 166,600 (0.84%) and the total amount reached TRY 3,367,789.

b) Information about Private and Public Audits

The internal control system and internal audit activities of the Company is regularly checked and carried out by Finans Denetim Yeminli Mali Musavirlik A.S.

In the Ordinary General Assembly Meeting held on 17.04.2023, Kavram Bagimsiz Denetim ve Danismanlik A.S. was assigned as the Independent Auditor to perform the audit and other relevant procedures in the financial year of 2023 in accordance with Turkish Code of Commerce, Capital Markets Regulation, and other relevant regulations.

c) Donations and Grants

Based on the Board of Directors Decision dated 07.02.2023 and numbered 2023/02, due to the earthquake disaster in our country, a donation of TRY 25,000 was made to the “AHBAP Association” within the scope of the Company's Donation and Aid Policy.

d) Information about the Group Involving the Company

The Company is not a part of an association of companies.

e) Information about the Affiliates and Subsidiaries

The company does not have a cross-shareholding relationship in which the direct participation rate in the capital exceeds 5%. Other affiliates information is as follows:

· **Intranet Yazilim A.S. (%51)**

On June 13, 2017, Intranet Yazilim A.S. was established by Kafein Yazilim Hizmetleri Ticaret A.S. The company was registered on the same date. The main fields of activity of Intranet Yazilim A.S. include research and consultancy services as regards to quality management, information

technology and system integration; product and service design, development, manufacture, and assembly in any field of computer industry and information technologies; consultancy in information technologies and similar other subjects and projects; and project management and control. Kafein Yazılım Hizmetleri Ticaret A.Ş. has 51% majority share of Intranet Yazılım A.Ş. The subsidiary is consolidated according to the full consolidation method.

· **Karmasis Bilisim Cozumleri Ticaret A.S (%51)**

The main activity of Karmasis Bilişim Çözümleri Ticaret A.Ş., which was established in 2003, is to produce information processing software, to sell the usage rights as the owner of these software, to carry out training activities on information processing and software, and to provide consultancy services on these issues if necessary. On 12 November 2020, Kafein Technology purchased %51 of Karmasis for a price of 45.390.000 TRY and include it into the scope of consolidation with a full consolidation method starting by the financial statements of the period ending as of 31 October 2020. The subsidiary is consolidated according to the full consolidation method.

f) Amendments to the Articles of Association within the Period

There are no amendments to the Articles of Association within the period.

g) Sanctions Imposed under the Regulations

Currently, there is no administrative or judicial sanction imposed on the Company or the Board members due to illegal procedures.

IV. RESEARCH AND DEVELOPMENT ACTIVITIES

Lists of projects completed or under development within the period of 01.01.2023 - 30.09.2023 in Yıldız Technical University Technology Development Zone, where Kafein provides services within the scope of R&D, are listed below in chronological order:

#	Project Name	Start Date	End Date	Project Summary/ Purpose
1	<i>Microreporter Project</i>	<i>01.09.21</i>	<i>01.09.23</i>	<i>It is an integrated reporting product with dynamic reporting.</i>
2	<i>Test Data Management</i>	<i>15.11.22</i>	<i>15.09.23</i>	<i>One of the most laborious tasks in software processes is the manual production of test data. There is a need for automated and near-real test data. With the TDM project, the software development process will be accelerated, and this process of the parties developing and using the software will be optimized. With this project, which is close to real data and includes</i>

				<i>various security measures, the quality of the software product will increase.</i>
3	Personal Data Protection Law Project Phase III	04.12.19	26.10.23	The project covers all the technological procedures which are necessary for compliance with Personal Data Protection Law (KVKK), which is a version of GDPR (General Data Protection Law) of the EU harmonized according to the conditions in Turkey. Client ensures full compliance with the Personal Data Protection Law at the end of the project.
4	AllinCyber Project	15.11.22	15.11.23	With the All in Cyber project, it is aimed to reach the security level of each customer's IT systems to the ideal security level that is fully compatible with the MitreATT&CK framework, which was established with the goal of a non-profit safe world and defines security risks.
5	New generation smart CRM Project Phase II	12.07.21	05.12.23	It is aimed to develop a simple and easy- to-use CRM platform that will enable institutions to manage their businesses quickly and securely from a single place. The SMART CRM Platform includes features such as revenue estimation, invoicing and reporting on the portal, and customer tracking.
6	New Generation E-Commerce Platform Software Project Phase III	03.07.20	02.01.24	The project aims to develop the model which will ensure the best shopping experience according to the information collected from customers and products.
7	Weight and Balance Project	07.04.22	07.04.24	A software that can make more precise weight and balance calculations, save fuel, time and human resources, increase flight safety, and increase data reliability with source system integrations to be used in aircrafts.
8	Intellimap Project	26.06.23	26.06.24	It is an online mobile communication platform that enables to observe and analyse density maps based on the signalled location of users in the telecom sector, dynamic and flexible querying of usage data through our Big Data platform, communicating with subscribers who allow it via SMS and MMS, and measuring feedback. The platform complies with

				national data privacy laws.
9	Messaging Platform Meet Project	02.09.22	02.09.24	Meet application is an online video calling platform that can be used for both companies and individuals.
10	DataTouch DAM	18.04.23	18.10.24	DataTouch is a Data Security and Governance Product and a new generation data lineage software that helps determine the purposes of use, frequency of use and users of the detected data.
11	Reseller Management System Project Phase II	18.05.20	30.10.24	The project intends to respond to the maintenance requests and demands from the clients in the telecommunication industry, prevent human errors by automating manually operated Dealer and User creation processes and improve efficiency.
12	Telco Siebel Sales Force Module Replacement Faz 3	01.10.18	30.10.24	The project aims to automatize the communication between the sales team management system and team leaders/managers and their sales personnel and, thus, to create a more efficient and affordable solution.
13	Interface Project Phase II	10.06.20	13.11.24	The project intends to improve monthly sales figures by renewing customers' cart and purchase screens on the website. Besides, the project ensures that customers are directed to desired subjects by using a webchat supported with artificial intelligence. This allows less labor and time for the call center.
14	Telco Online Processing Centre, Phase V	02.06.20	15.11.24	The project aims to carry out the authentication, session management, asset management and similar other processes of the web applications of the online processing centers of telecommunication companies from a single center by protecting and integrating Legacy systems with a secure system.
15	Digitalization Infrastructure Project for Telecommunication Companies Phase III	18.07.20	01.12.24	The project aims to ensure consistency among all the data on SMS, Online, IVR, mobile and similar other channels which are created by telecommunication companies in order to render better service, and to create a common infrastructure so as to ensure consistent client experience.

16	Telco Premium System Development Project Phase III	01.07.20	20.12.24	With the project, a platform will be created where the customer can automate the premium processes and transparently present the outputs to the dealers. With the source system analysis, areas that may be subject to premium will be determined, related data will be taken considering the large data volume, a structure will be designed in which the calculation engine can work with performance, reporting layers will be created that dealers can access within their authority, and dealers will be able to see their current status.
17	Telco Script Project Phase II	01.01.19	24.12.24	In the project, it is aimed to attract more users by adding new modules to the application in order to create a social media platform together with the Telco customer. It is planned to include filtering and story modules on the pictures.
18	Robotic Process Design	01.06.19	01.01.25	The project refers to the design and coding of all the procedures in Windows operated systems using RPA (Robotic Process Automation) technology. This project plans to minimize human errors in various procedures, finalize processes within a shorter time with robots and ensure continuous process standards.
19	Document Scanning and Analysis Platform (DSAP) Project	19.02.23	19.02.25	With the DSAP project, it is aimed to perform the optical character analysis of the documents for the company's Netherlands-based customer, such as order form and invoice, and then integrate the information obtained with the ERP system (SAP).
20	Telco Test Project	18.04.23	18.04.25	With this project, automation processes are written. It is aimed to write end-to-end test scenarios during the process, to automate these scenarios with Selenium and Appium Tool, and to turn the automated scenarios into a platform that works with our Automation Tool, which is written in Java and developed to be integrated into the Devops process. Subsequently, this platform is made operational in four different modules: Web, Mobile, Desktop and Integrated System Applications.

21	Telco Network Monitor Project Phase II	29.04.23	29.04.25	By integrating the applications with the network system, it is aimed to enable the users to take action at Level 1 by monitoring all the devices connected to the internet, to automate the system and to create a structure that is monitored 24/7 with the configurative system to be established.
22	Muud Project	27.05.23	27.05.25	The project includes the creation of a domestic mobile music listening platform.
23	Bio-Curity: E-health Services with Digital Biomarker Ecosystem	23.06.23	23.06.25	Bio-Curity is an e-health technology integrated solution that includes artificial intelligence supported software that will help the diagnosis, follow-up, course, and treatment processes of diseases by transferring biomarkers (biological signals originating from the human body) to digital platform. With the project, it is aimed to create a digital biomarker ecosystem and help the treatment/follow-up process by enabling patients to measure real-time data for non-invasive procedures in the home environment.
24	MSP Test Environments Management Project Phase I	01.07.21	01.07.25	It is aimed to create a new MSP test environment in order to present test applications related to the project and transformation processes of our Telco customer. With the shift left methodology to be made within the scope of the project, increasing efficiency in internal processes in all products and transformations, reducing response times, time saving, general process improvements and implementation of various accelerators and tools (such as artificial intelligence, machine learning, etc.) will be made.
25	End-to-End Test Automation System Project	12.01.23	12.07.25	It is aimed to provide end-to-end reliable outputs by providing an automation-based software testing system to the quality and software testing team. In this way, both operational efficiencies will be increased and the error rate for end users will be minimized.
26	Smart MIS Project (SMIS)	25.07.23	25.07.25	It is aimed to create a real location sensitive web application platform with a modern design, which contains all kinds of tools that local governments will need to manage the city.

27	Genesis ADM Phase III	21.01.19	31.07.25	The project plans transition from on- premises systems to systems managed on cloud as part of the completion of new development requests and the transition to micro service infrastructure.
28	New Generation Banking (FinTech)	29.08.23	29.08.25	The project aims to help both businesses and consumers manage their financial operation processes faster and better by using special software and algorithms.
29	Telco Gold Agile	01.09.23	01.09.25	Within the scope of the project, the technical infrastructure of transactions such as Package/Service/Tariff selection, processing/ decommissioning, and price updating, which are among the main telecommunication main processes, will be provided.
30	Telco Academy	01.09.23	01.09.25	The project includes the installation, use and development of an online education website's educational contents, exams, forums, blogs and user structures. It includes editing pages with special designs with HTML, JS and CSS, providing reports and statistics, database editing processes, and examining and resolving possible error findings.
31	Telco E-Commerce	17.09.23	17.09.25	In the project, the infrastructure of an e-commerce application will be improved, thus facilitating a faster and clearer response to customer requests.

V. FINANCIAL INFORMATION

a) Summary of Financial Results

Summary data regarding Kafein's financial results as of 30.09.2023 are as follows.

Summary of Balance Sheet (TRY)	30.09.2023	30.09.2022
Total Assets	488,556,643	303,820,330
Current Assets	361,089,846	144,735,272
<i>-Cash and Cash Equivalents</i>	<i>59,347,494</i>	<i>14,926,689</i>

<i>-Financial Investment</i>	85,310,162	3,925,590
<i>-Trade Receivables</i>	133,348,593	73,909,284
Non - Current Assets	127,466,797	159,085,058
Total Liabilities	151,268,170	94,061,098
<i>-Short-Term Liabilities</i>	116,697,231	65,666,407
<i>-Long-Term Liabilities</i>	34,570,939	28,394,691
Total Equities	337,288,473	209,759,232
<i>-Equity Attributable to Parent Company</i>	307,187,383	192,621,702
<i>-Equity Attributable to Non-Controlling Shares</i>	30,101,090	17,137,530
Total Liabilities	488,556,643	303,820,330

Summary of Income Statement (TRY)	30.09.2023	30.09.2022
Sales Revenue	536,302,767	263,945,728
COGS	(387,491,047)	(196,269,432)
Gross Profit	148,811,720	67,676,296
Operational Expenses	(89,742,798)	(36,806,327)
<i>-General Administrative Expenses</i>	(51,252,607)	(22,718,227)
<i>-Marketing Expenses</i>	(17,695,462)	(8,336,005)
<i>-Research and Development Expenses</i>	(10,148,873)	(5,075,046)
<i>-Other Operating Income</i>	25,477,753	9,325,447
<i>-Other Operating Expense</i>	(36,123,609)	(10,002,496)
Main Operation Profit	59,068,922	30,869,969
Income/Expense from Investment Activities	20,571,979	487,343
Operating Profit (Loss) before Financial Income/Expense	79,640,901	31,357,312
Financial Income/(Expense)	14,775,552	4,136,042
Net Profit for the Period	80,124,650	28,586,956

b) Information about Dividends

During the Ordinary General Assembly Meeting held on 17.04.2023, it was agreed to distribute a total of TRY 2,000,000 of gross dividend among the partners according to the proportion of their shares after the allocation of the amounts to be assigned/paid from the profit of 2022 under the laws and the articles of association. It was also agreed to identify the starting date of dividend distribution as 24.04.2023.

VI. RISKS AND EVALUATION BY THE BOARD OF DIRECTORS

The risks with possible effects to the Company and the financial investments are as follows:

a) Industrial Risks

There are certain legal regulations and restrictions which Kafein should comply with. Kafein is a company engaged in the software industry. The Turkish government grants certain privileges to the industry. However, these privileges may be removed in time, and the privileges granted to Kafein may decrease or completely disappear.

The activities of Kafein may be subject to the effects of economic inconsistency. There may be political and/or economic inconsistencies in Turkey and the world. Kafein and the industry may be affected negatively and have retarded activities.

b) Operational Risks

Kafein ensures sales revenue mainly from only a single industry. Although Kafein carries out sales transactions of electronic communication companies for more than 15 years, the Company is still subject to the risk of sectoral condensation. Certain issues which may arise in the electronic communication industry may affect Kafein negatively.

The bidding stage of tenders and the commencement periods of undertaken projects may exceed prescribed times. In general, Kafein makes sales revenue by winning tenders and making project offers to clients. In case of extended bidding stage or longer project periods due to uncontrollable reasons may create a negative impact on the expected profitability of Kafein.

There may be delays in tender and project preparation and implementation processes: Material errors during the preparation or price and specification evaluation processes of the tenders wherein Kafein ensures participation may lead to a failure in timely performance and/or decrease in profitability from a project.

There may also be risks due to the location of the head office: The head and the R&D offices of Kafein are situated in the Technopark of Yildiz Technical University which takes place in Esenler, Istanbul. The activities of Kafein may be affected in case authorized bodies decide to move the Technopark or amend the relevant regulation.

The operations of the softwares and business support systems developed by the Company fail. The operations of the softwares and business support systems developed by Kafein may fail. The Company's personnel may need to put effort for long periods so as to remove these failures.

c) Other Risks

Apart from the foregoing, the Company may be subject to various financial risks due to the activities. These are credit risk, liquidity risk, exchange risk and interest rate risk.

Credit Risk: Credit risk becomes a question when the other party cannot perform its contractual liabilities. For the current period, the Company's other short-term receivables from non-affiliated parties are TRY 291,643 while short-term trade receivables from non-affiliated parties are TRY 133,346,093 according to its balance sheet.

Liquidity Risk: Liquidity risk refers to the risk of failure to perform funding liabilities and arises from various reasons that lead to a decrease in fund sources such as undesired market conditions and/or decrease in credit score. For the current period, the Company's short- and long-term liabilities are TRY 116,697,231 and TRY 34,570,939 respectively, which corresponds to TRY 151,268,170 in total.

Interest Rate Risk: Interest rate risk may occur when the changes in the interest rates of the market cause fluctuation in the price of financial instruments. Sensitivity to interest rate risk is associated with the inconsistency of the maturities of assets and liabilities to a great extent. The Company manages this risk with a natural measure which is ensured by balancing sensitive assets and liabilities. For the current period, the Company has TRY 59,347,494 cash and cash equivalents which are subject to interest risk.

Exchange Risk: Exchange risk is the effect of the changes in exchange rates. For current period, Company is not under serious exchange risk since it has foreign asset position equals to TRY 26,771,170.

d) Risk Management

The Company is under industrial condensation risk. Apart from that, the Company risk management plan focuses on the minimization of the negative effects of the uncertainties in financial markets on the Company's financial performance.

VII. DEVELOPMENTS WITHIN AND FOLLOWING THE PERIOD

- On 03.01.2023, "Additional Protocol on the GDPR Project Contract" was signed with Yapı ve Kredi Bankası A.Ş. to cover the service period between 22.12.2022 - 22.12.2023.
- On 23.01.2023, a one-year contract was signed with Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. Information about Technology Service Procurement.
- At the Board Meeting of our company dated 25.01.2023 and numbered 2023-02, In order to expand the company's activities, it has been decided to open a branch at the address of "Orhangazi Mah. Teknopark Cad. Teknopark Blok No 1 İç Kapı No Z03 Merkez Düzce. The said branch opening is registered with the T.C. Duzce Trade Registry Office and published on Trade Registry Gazette dated 30.01.2023 and numbered 10758.

- On 30.01.2023, a 3-year contract on “Personal Data Discovery, Masking, Anonymization, Data Leakage Protection and Content Management System Acquisition” was signed with PTT Teknoloji Bilgi Teknolojileri A.Ş.
- The company took part in Mobilefest, Turkey's largest communication technologies fair, held at Istanbul Congress Center on January 26-28, 2023, for service and product promotions.
- On 02.02.2023, The company won the "Mobile Development Tender" organized by a third-party Telecom company. The total tender price is approximately TRY 20,000,000 where the company undertake 80% of it (approximately TRY 16,000,000). The related mobile development service covers the service period of 01.02.2023 - 01.02.2024.
- On 16.02.2023, “Additional Protocol to the KVKK Project Contract” was signed with Yapı ve Kredi Bankası A.Ş. in order to remain effect between 01.01.2023 - 31.12.2023.
- On 17.02.2023, an approval of tender was received by the company regarding the subject of "Consultancy and Service", in which a team of 12 people will work, to serve Coca-Cola İçecek A.Ş.
- The company's participated in the Mobile World Congress Barcelona event within the stand of the Turkey segment which is held between 27.02.2023 and 02.03.2023.
- On 27.02.2023, the “Green Crescent Federation Web Site Project Service Procurement Agreement” was signed with the Turkish Green Crescent Society to remain in force between 23.02.2023 and 17.07.2023.
- On 06.04.2023, The Data Security and Governance Product "DataTouch" developed by the company Kafein Yazılım Hizmetleri Tic. A.S. and the Database Activity Monitoring and Prevention Product "DataSkope" developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş. have been included in the product catalogue of the global software provider Micro Focus LLC to be sold globally and the OEM (Original Equipment Manufacturer) contract is signed to be included in the sales lists under the brand of Voltage.
- On 10.04.2023, The "Bio-Curity: E-Health Services with the Digital Biomarker Ecosystem" project developed by the company with its domestic and international consortium partners was found suitable for support by TUBITAK (Turkish Scientific and Technological Research Council), and the said project support contract is signed by the company. Project support covers the period of 01.01.2023 - 31.12.2025. Bio-Curity is an e-health technology integrated solution that includes artificial intelligence supported software that will help the diagnosis, follow-up, course, and treatment processes of diseases by transferring biomarkers (biological signals originating from the

human body) to digital platform. With the project, it is aimed to create a digital biomarker ecosystem and help the treatment/follow-up process by enabling patients to measure real-time data for non-invasive procedures in the home environment.

- On 25.04.2023 a 1-year Service Agreement is signed with, Katılım Emeklilik ve Hayat A.Ş. regarding the data discovery, masking, archiving, encryption, deletion, migration, etc. services.
- On 10.05.2023, the company took part in Bilgi University Talent Fest university event within the scope of the company's training program for young talents, Kafein Academy.
- On 11.05.2023, the company took part in Yildiz Technical University Career Fair university event within the scope of the company's training program for young talents, Kafein Academy and information on internship and recruitment processes is shared.
- On 23.05.2023, a consultancy service agreement is signed with our customer operating in the Fast-Moving Consumer Goods Sector to be valid between 01.01.2023-31.12.2023.
- On 01.06.2023, the company signed a one-year solution partner agreement with Practicus AI LLC based in America to work together in the field of artificial intelligence and data science.
- On 14.06.2023, the company's cyber security solutions brand All-in Cyber, together with its producer partners, California-based cyber security company Vectra AI and Texas-based cyber security company CrowdStrike, organized an event regarding MDR (Managed Detection and Response) which is a type of information security service.
- On 02.08.2023, a one-year Partner Program Agreement was signed with Siemens Digital Industries Software - Mendix.
- In July 2023, a one-year cooperation agreement was signed with automation systems manufacturer Robomotion Yazılım Otomasyon Sistemleri A.Ş.
- The company has become the silver partner of Tenable Inc., a US-based cyber security company.
- On 10.07.2023, the e-health technology application named “5G4P Health” developed by our company with its consortium partners was entitled to receive a “Label with Modifications” by the project support initiative “Eureka Cluster Celtic-Next” established by the European Union Commission. With the 5G4P Health application, it is aimed to aim is to develop and implement a 5G and AI powered platform that enables connected, personalized, predictive, and preventive healthcare services across multiple specialties.

- On 01.08.2023, an additional protocol was signed to extend the main contract to be in force between 15.04.2023 and 14.04.2024 with ETS Ersoy Turistik Servisleri A.Ş.
- On 04.08.2023, an additional protocol was signed to extend the main contract of “Robotic Process Automation Solution 3-Year License Purchase Agreement” to remain in effect until 31.05.2026. with Turkish Airlines A.O.
- Kafein Yazılım Hizmetleri Ticaret A.Ş. received the third prize in the service provider consultancy category among Turkey-based manufacturer companies, according to the Top 500 IT Companies 2022 research, at the "Informatics 500 Award Ceremony" organized by BT Haber Newspaper on 09.08.2023.
- On 07.09.2023, a patent application was made to the Turkish Patent and Trademark Office for the Test Data Management System product "TDM" developed by the company. With this application, the number of total company products for which the patent application process is ongoing has reached a total of 3 (together with our HR application called "Online Pre-Interview System and Method" and "Parkinson's Disease Treatment and Follow-up Platform").
- On 18-21 September 2023, the company participated in the “Oracle Cloud World” event organized by our business partner computer technology company Oracle in Las Vegas, USA, to promote our company's Test Data Management product TDM, the Data Security and Governance Product DataTouch and our 51% subsidiary Karmasis Bilişim’s Database Activity Monitoring and Prevention Product DataSkope to global customers.
- On 19.09.2023, the company participated in the "IDC (International Data Corporation) Security Summit 2023" summit held in Istanbul with its cyber security solutions brand All-in Cyber.
- The company participated as a sponsor in the "Smaxtember 2023” event, which is held in Istanbul by our business partner Opentext on September 20, 2023.
- An OEM (Original Equipment Manufacturer) agreement was signed between the company and the American-based technology company Infocorvus LLC at the Oracle Cloud World event the company attended in Las Vegas, USA; and the said contract received by us on 22.09.2023. In accordance with the terms of the agreement, the Data Security and Governance Product "DataTouch" and the Test Data Management Product "TDM" developed by our company and the Database Activity Monitoring and Prevention Products "DataSkope" and "Infraskope" developed by our 51% Subsidiary Karmasis Bilişim Çözümleri Ticaret A.Ş. will be sold in the American and Canadian markets on a revenue sharing basis by Infocorvus LLC.

- On 22.09.2023, In accordance with the article 4.2.8 of Corporate Governance Communiqué, Executive Liability Insurance Policy is extended with a validity from 03/09/2023 to 03/09/2024 with the total liability amount of 3,000,000 USD.
- On 28.09.2023, with its 28 R&D projects and a total R&D expenditure of TRY 37,313,766 , the company listed in the Turkishtime "R&D 250, Turkey's companies with the highest R&D expenditure 2022" list in which the company has been included since 2019.
- AllinCyber is a cyber security consultancy company of Kafein Technology has been providing an end-to-end solution to institutions' risk, operation, and cost management by increasing the information security levels of institutions and integratedly addressing the concepts of human, process, and technology against cyber-attacks since 2022. As of September 2023, the AllinCyber team has reached 17 people, the number of customers we serve in this field has reached 41, and the number of business partners in this field has reached 23.
- On 05.10.2023, the company participated as a speaker with its cyber security solutions brand All-in Cyber and was deemed worthy of the "Best Technical and Sales Closure" award at the "Broadcom 2023 Summit" organized by MBCOM Technologies .

VIII. MISCELLANEOUS

Within the scope of the announcement made by Borsa Istanbul General Directorate on 18.01.2023, the company continues to be traded in the BIST Dividend Index for the period 01/02/2023-31/01/2024, based on the periodic valuation study of BIST Dividend Indices.

- On 11.09.2023, as a result of the study conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. to determine the level of compliance of the Company's practices with the "Capital Markets Board Corporate Governance Principles", the Company's Corporate Governance Principles Compliance Rating Grade is determined as 9.41 (%94.07). Followingly, the company listed on the BIST Corporate Governance Index starting by 13.09.2023
- In accordance with the article 10.3. of BIST Market Cap Weighted Stock Indices Methodology, as a result of the evaluation made by Borsa Istanbul General Directorate the company is included in the BIST Participation All and BIST Participation Dividend index for the period 01.10.2023 - 30.04.2024.